



U.S. Department of Justice
Office of the United States Trustee
Region 2

Southern District of New York

IN RE:	}	CHAPTER 11
	}	
HSP Liquidation, LLC (fka Hollander Sleep	}	CASE NO. 19-11608 (MEW)
Products, LLC), et al.,	}	(Jointly Administered)
	}	
DEBTOR.	}	

**DEBTOR'S POST-CONFIRMATION
QUARTERLY OPERATING REPORT
FOR THE PERIOD**

FROM 1/1/2021 TO 3/31/2021

Comes now the Hollander Wind-Down Trust¹ and files its Post-Confirmation Quarterly Operating Report in accordance with the Guidelines established by the United States Trustee and FRBP 2015.

In accordance with 28 U.S.C. Section 1746, I declare under penalty of perjury that I have examined the information contained in this report and it is true and correct to the best of my knowledge.

Signed::

Date:

4/20/2021

Tim Daileader

Print Name

Authorized Signatory, Drivetrain, LLC, as Trustee
Title

Debtor's Address
and Phone Number:

c/o Drivetrain, LLC, as Trustee
410 Park Avenue, Ste 900
New York, NY 10022
Tel. (212) 856-9700

Attorney's Address
and Phone Number:

Bradford J. Sandler bsandler@pszjlaw.com
Beth E. Levine blevine@pszjlaw.com
Shirley S. Cho scho@pszjlaw.com
Pachulski Stang Ziehl & Jones LLP
780 Third Ave. New York, NY 10017
Tel. (212) 561-7704

¹ The Post-Effective Date Debtors in these Chapter 11 cases, along with the last four digits of each Post-Effective Date Debtor's federal tax identification number are: Dream II Holdings, LLC (7915); HHFH Liquidation, LLC (2063); HSP Liquidation, LLC (2143); PCF Liquidation, LLC (1445); HSPK Liquidation, LLC (4119); PCFC Liquidation, LLC (3119); and HSPC Liquidation Limited (3477).

QUESTIONNAIRE		
	YES*	NO
1. Have any assets been sold or transferred outside the normal course of business, or outside the Plan of Reorganization during this reporting period?		X
2. Are any post-confirmation sales or payroll taxes past due?		X
3. Are any amounts owed to post-confirmation creditors/vendors over 90 days delinquent?		X
4. Is the Debtor current on all post-confirmation plan payments?	N/A	

*If the answer to any of the above questions is "YES," provide a detailed explanation of each item on a separate sheet.

HSP Liquidation, LLC (fka Hollander Sleep
Products, LLC), et al.,

INSURANCE INFORMATION		
	YES	NO*
1. Are real and personal property, vehicle/auto, general liability, fire, theft, worker's compensation, and other necessary insurance coverages in effect?	X	
2. Are all premium payments current?	X	

*If the answer to any of the above questions is "NO," provide a detailed explanation of each item on a separate sheet.

DESCRIBE PERTINENT DEVELOPMENTS, EVENTS, AND MATTERS DURING THIS REPORTING PERIOD:
<p><u>General Description</u></p> <p>On September 5, 2019, the Court entered its <i>Findings of Fact, Conclusions of Law, and Order Confirming Debtors' Modified First Amended Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code</i> [Docket No. 356] confirming the Plan (capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Plan). On September 13, 2019, the Effective Date of the Plan occurred. See <i>Notice of (I) Entry Confirmation Order, (II) Occurrence of Effective Date, and (III) Related Bar Dates</i> [Docket No. 371].</p> <p>Pursuant to the Plan, on the Effective Date, the Debtors sold substantially all of their assets to Bedding Acquisition, LLC (the "Purchaser") in accordance with the Asset Purchase Agreement and established the Wind-Down Trust. Drivetrain, LLC, was appointed the Trustee and Plan Administrator for the Wind-Down Trust. The Plan Administrator is responsible for, among other things, "... wind[ing] down the Debtors' businesses and affairs ... and administer[ing] the liquidation of the Post-Effective Date Debtors and any assets held by the Wind-Down Trust ...". See Plan at Article IV.D. This includes the authority "to File, withdraw, or litigate to judgment objections to Claims or Interests." <i>Id.</i> at Article VII.B.</p> <p>Since the Effective Date, the Plan Administrator has assumed all responsibilities for the administration of the Post-Effective Date Debtors' affairs that were previously undertaken by the Debtors prior to the Effective Date and has dedicated considerable time and effort to a multitude of tasks, including, without limitation, (a) familiarizing itself with the assets, liabilities and unfinished business of the estates, (b) overseeing closings of remaining operations, (c) coordinating case administration with the Canadian Information Officer in respect of the CCAA proceedings, (d) analyzing claims, and (e) engaging in related sale transition, plan implementation, and wind-down activities.</p> <p>The Plan Administrator and its professionals are in the process of reviewing and analyzing the merits of the asserted Claims. However, they have not had a sufficient opportunity to complete this comprehensive and time-consuming task. The court had previously granted the Plan Administrator's request to extend the Administrative Claims Objection Bar Date and the Claims Objection Bar Date to May 5, 2021. Additionally, on April 8, 2021, the Plan Administrator filed a Motion to Extend the Claims Objection Bar Date to November 1, 2021. A hearing on this Motion will be held on April 29, 2021. To date, the Plan Administrator has filed three omnibus claims objections and two notices of satisfaction of claims, expunging approximately 105 Claims and reducing or reclassifying 57 others. Furthermore, the Plan Administrator will shortly be filing a fourth omnibus objection seeking to expunge approximately fifty-four claims and modify four others.</p> <p>In addition to the claim objections, the Plan Administrator negotiated and filed numerous stipulations and obtained orders thereon consensually expunging certain non-priority general unsecured claims, secured claims, and post-petition administrative claims, while reducing priority claims and bringing in additional cash to the estates.</p> <p>The Plan Administrator has paid allowed 503(b)(9) claims in the aggregate amount of approximately \$3.5 million and DIP Term Loan Claims in the amount of approximately \$2.1 million. The Plan Administrator and its professionals continue to review and analyze the Claims and the Debtors' books and records to reconcile such claims and determine whether and the extent to which they are valid and are continuing to negotiate settlements with certain claimants.</p>
<p>Estimated Date of Filing the Application for Final Decree: <u>N/A</u></p>

Quarterly Operating Report -
Post Confirmation

**CHAPTER 11 POST-CONFIRMATION
SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

Attachment No. 2

Case Name:	HSP Liquidation, LLC
Case Number:	19-11608
Date of Plan Confirmation:	9/13/2019 (Effective Date)

All items must be answered. Any which do not apply should be answered "none" or "N/A".

1. **CASH (Beginning of Period)**

Quarter Ending 3/31/21	Post Confirmation Total
\$ 8,645,698.74	\$ 1,572,058.67

2. **INCOME or RECEIPTS during the Period** ¹

\$ 505,357.00	\$ 13,363,273.03
---------------	------------------

3. **DISBURSEMENTS**

a. **Operating Expenses (Taxes):**

- (i) Federal Taxes
- (ii) State Taxes
- (iii) Other Taxes

b1. **All Other Operating Expenses:**

c. **Plan Payments**

- (i) Administrative Claims
- (ii) Other Priority Claims
- (iii) Other Secured Claims
- (iv) Secured Tax Claims
- (v) DIP/Term Loan Claims
- (vi) General Unsecured Claims

387,079.48	1,451,308.87
1,397,599.92	3,516,533.49
	2,100,000.00
\$ 1,784,679.40	\$ 7,067,842.36

Total Disbursements (Operating & Plan; ex UST Fees)

d. **US Trustee Fees**

- (i) U.S. Trustee Quarterly Fees ²

\$ 6,825.00	\$ 507,938.00
-------------	---------------

4. **CASH (End of Period)**

\$ 7,359,551.34	\$ 7,359,551.34
-----------------	-----------------

DETAIL PER DEBTOR:

Receipts

19-11607 Dream II Holdings, LLC
19-11608 HSP Liquidation, LLC
19-11609 HHFH Liquidation, LLC
19-11610 HSPK Liquidation, LLC
19-11611 PCF Liquidation, LLC
19-11612 PCFC Liquidation, LLC
19-11613 HSPC Liquidation Limited

0.00	0.00
505,357.00	13,363,273.03
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00

Disbursements

19-11607 Dream II Holdings, LLC
19-11608 HSP Liquidation, LLC
19-11609 HHFH Liquidation, LLC
19-11610 HSPK Liquidation, LLC
19-11611 PCF Liquidation, LLC
19-11612 PCFC Liquidation, LLC
19-11613 HSPC Liquidation Limited

1,300.00	1,300.00
1,556,658.08	7,340,934.04
1,300.00	1,300.00
1,300.00	1,300.00
106,671.50	106,671.50
27,777.32	27,777.32
96,497.50	96,497.50

¹ Amount includes \$125,000.00 that was not accounted for on the 2020 Quarter 4 Quarterly Report. Subsequent total has been adjusted.

² U.S. Trustee Quarterly Fees paid for Quarter 3 of 2019 were mistakenly based on Wind-Down Trust disbursements and transfers (which should have been excluded for the purpose of calculating U.S. Trustee Fees), resulting in an overpayment of fees.

**CHAPTER 11 POST-CONFIRMATION
PASS THROUGH ACCOUNTS**

Case Name:	HSP Liquidation, LLC
Case Number:	19-11608
Date of Plan Confirmation:	9/13/2019 (Effective Date)

All items must be answered. Any which do not apply should be answered "none" or "N/A".

1a. **CASH (Beginning of Period) - Pass Through Accounts**

Quarter Ending 3/31/21	Post Confirmation Total
\$ N/A	\$ N/A

2a. **INCOME or RECEIPTS during the Period**

\$ N/A	\$ N/A
--------	--------

3. **DISBURSEMENTS**

a. **Operating Expenses (Fees/Taxes):**

- (i) Federal Taxes
- (ii) State Taxes
- (iii) Other Taxes

b2. **All Other Operating Expenses - Pass Through :**

c. **Plan Payments**

- (i) Administrative Claims
- (ii) Other Priority Claims
- (iii) Other Secured Claims
- (iv) Secured Tax Claims
- (v) DIP/Term Loan Claims
- (vi) General Unsecured Claims

\$ N/A	\$ N/A
\$ N/A	\$ N/A
\$ N/A	\$ N/A

Total Disbursements

d. **US Trustee Fees**

- (i) U.S. Trustee Quarterly Fees

\$ N/A	\$ N/A
--------	--------

4a **CASH (End of Period) - Pass Through Accounts**

\$ N/A	\$ N/A
--------	--------

CHAPTER 11 POST-CONFIRMATION
BANK ACCOUNT RECONCILIATIONS

TRUST RELATED BANK ACCOUNTS							
Bank Account Information	Account 1	Account 2	Account 3	Account 4	Account 5	Account 6	TOTAL
Name of Bank:	Wells Fargo	Wells Fargo	Wells Fargo	Wells Fargo	Wells Fargo	Wells Fargo	
Account Number:	x1522	x7229	x1506	x1456	x1480	x9395	
Purpose of Account (Operating/Payroll/Tax)	Trust Operating	Trust Operating	Trust Operating	Trust Operating	Trust Operating	Trust Operating	
Type of Account (e.g. checking)	Checking	Direct Deposit	Direct Deposit	Direct Deposit	Direct Deposit	Direct Deposit	
1. Balance per Bank Statement	7,236,498.35	0.00	0.00	0.00	0.00	125,000.00	7,361,498.35
2. ADD: Deposits not credited	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. SUBTRACT: Outstanding Checks	1,947.01	0.00	0.00	0.00	0.00	0.00	1,947.01
4. Other Reconciling Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Quarter End Balance (Must Agree with Books)	7,234,551.34	0.00	0.00	0.00	0.00	125,000.00	7,359,551.34

PASS THROUGH BANK ACCOUNTS				
Bank Account Information	Account 1	Account 2	Account 3	TOTAL
Name of Bank:	Wells Fargo	Wells Fargo	Wells Fargo	
Account Number:	x4226	x9162	x7889	
Purpose of Account (Operating/Payroll/Tax)	Operating	LC Collateral	Canadian Operating	
Type of Account (e.g. checking)	Direct Deposit	Direct Deposit	Direct Deposit	
Status	Closed	Closed	Closed	
Prior Quarter End Balance				
1. Balance per Bank Statement				
2. ADD: Deposits not credited				
3. SUBTRACT: Outstanding Checks				
4. Other Reconciling Items				
5. Quarter End Balance (Must Agree with Books)				
	Acct closed	Acct closed	Acct closed	